



PRESS ANNOUNCEMENT: FOR IMMEDIATE RELEASE

CONTACT: Dawn Giles
QualityMetric Incorporated
(401) 334-8800, Ext. 260
dgiles@qualitymetric.com

QualityMetric Awarded Three NIH Grants for Health Outcomes Measurement Development and Commercialization

Outcomes Innovation™ Laboratory Exceeds \$6 Million in Funding through Established Leadership in the Advancement of Psychometric Measurement

Boston, MA and Lincoln, RI - October 31, 2006 – QualityMetric Incorporated has been awarded three Small Business Innovation Research (SBIR) grants by the National Institutes of Health (NIH) totaling over \$1 million. Highly competitive SBIR grant proposals undergo rigorous peer review by independent scientists and by the funding agency, and are awarded in two phases to applicants on the basis of technological innovation, scientific merit, and corporate potential.

Two of the awarded grants will support the development of computerized adaptive tests of patient-reported outcomes for those with disabling headaches and mental health conditions. The third award provides commercialization opportunities for QualityMetric's computerized pediatric outcomes assessment, also developed with support from the NIH SBIR program.

Specifically, the two newly awarded product development grants include:

- ***Computerized Adaptive Assessment of Headache Impact*** – A SBIR Phase II, two-year \$1 million grant, to be completed in collaboration with clinical experts from the Diamond Headache Clinic and Clinvest's Headache Care Center.
- ***Mental Health CAT (MH-CAT™) for Community-Based Use*** – A SBIR Phase I \$100,000 grant to be completed in collaboration with the RAND Corporation.

Both grants will involve the application of QualityMetric's exclusive DYNHA® Computer Adaptive Health Assessments software, which combines modern measurement methods with computerized adaptive testing (CAT) technology resulting in very short, yet precise and valid, health status surveys.

John E. Ware, Jr., PhD, Founder, CEO and Chairman of the Board of QualityMetric stated, "We are integrating our most advanced outcomes methodologies and proprietary technology to create patient-reported surveys that can be easily and cost-effectively administered to large populations. These standardized outcomes measurement systems will include rich interpretation capability including real-time patient- and aggregate-level reporting for evidence-based treatment support and decision-making."

QualityMetric's patient-reported outcomes (PRO) surveys – such as the SF-36® Health Survey – are supported by the industry's largest proprietary databases for norm-based outcomes comparisons used throughout healthcare to:

- Screen and stratify populations cost effectively for care management
- Measure and monitor treatment effectiveness for improved utilization and cost reduction
- Support product/treatment positioning with FDA-accepted marketing claims and formulary data
- Assess risk and predict treatment expenditures
- Provide evidence-based treatment support to clinicians and decision makers

- Empower consumers in the improvement of their health and enhance treatment compliance

QualityMetric Incorporated's Research & Development program has received more than \$6 million in federal grant awards and contracts from the National Institutes of Health, including the National Cancer Institute, National Heart, Lung, and Blood Institute, National Institute on Aging, National Institute of Arthritis and Musculoskeletal and Skin Diseases, National Institute of Child Health & Human Development, National Institute of Diabetes and Digestive and Kidney Diseases, National Institute of Mental Health, and National Institute of Neurological Disorders and Stroke.

QualityMetric measurement scientists have extensive experience in the application of modern psychometric methods and CAT technology to the assessment of patient-reported health-related quality of life (HRQOL) outcomes; and collaborate on grants with clinical and scientific thought leaders around the globe to design, develop, and implement state-of-the-art health measurement solutions that employ the latest technologies. **If your organization or company is interested in partnering with QualityMetric on a grant application, please contact Dr. Diane Turner-Bowker at dtbowker@qualitymetric.com.**

About QualityMetric:

Founded in 1997 by John E. Ware, Jr., PhD, principal developer of the SF-36[®], SF-12[®] and SF-8[™] Health Surveys, QualityMetric uses proprietary analytic methodologies to capture, benchmark, interpret and report on actionable, patient-based health information for use in the development and evaluation of new treatments; to improve clinical and business decision-making with evidence-based treatment support; and in research, policy development and healthcare advocacy. QualityMetric Smart Measurement[™] Solutions are used throughout healthcare and across the globe as the established benchmark in standardized patient-reported outcome (PRO) measurement.